

DONIPHAN COUNTY, KANSAS

STATUTORY BASIS FINANCIAL STATEMENTS
For the year ended December 31, 2010

And

INDEPENDENT AUDITORS' REPORT

Long CPA, PA
A Professional Association
Certified Public Accountants

DONIPHAN COUNTY, KANSAS

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DONIPHAN COUNTY, KANSAS

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

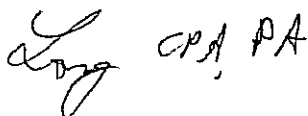
We have audited the financial statements of the individual funds of Doniphan County as, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the County has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2010, or the changes in its financial position for the year then ended.

In our opinion the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the County as of December 31, 2010, and its cash receipts and expenditures, budgetary comparisons, and changes in long-term debt and long-term debt maturities for the year then ended, on the basis of accounting described in Note 1.

A handwritten signature in cursive script, appearing to read "Long CPA, PA".

Long CPA, PA
A Professional Association
Certified Public Accountant

July 27, 2011

	Cash Balance	Expenditures	Receipts	Expenditures	Cash Balance	Payable	Cash Balance
Governmental - Type Funds	\$	\$	\$	\$	\$	\$	\$
General	357,306	0	1,730,555	1,766,809	321,052		321,052
Special Revenue Funds							
Road and Bridge Fund	138,180	0	2,091,734	2,013,269	216,645		216,645
Capital Improvement Fund	131,908	0	4,757	28,032	108,633		108,633
Employee Benefits Fund	145,435	0	354,060	430,679	68,816		68,816
Extension Council Fund	52	0	110,247	110,299	0		0
Community Mental Health Fund	0	0	27,379	27,379	0		0
Mental Health Workshop Fund	264	0	30,841	30,991	114		114
Conservation District Fund	336	0	23,216	22,916	636		636
Community College Fund	18	0	0	0	18		18
Appraiser's Costs Fund	34,193	0	173,757	159,123	48,827		48,827
Noxious Weed Fund	38,459	0	54,729	51,743	41,445		41,445
Noxious Weed Chemical Fund	88,240	0	74,926	51,786	111,380		111,380
Fair Fund	0	0	16,494	16,494	0		0
Economic Development Fund	83,441	0	54,984	81,902	56,523		56,523
Elderly Services Fund	72,164	0	210,753	203,200	79,717		79,717
Local Alcoholic Fund	0	0	1,259	868	391		391
Division Fund	52,460	0	14,918	683	66,695		66,695
Direct Election Fund	28,554	0	44,977	43,125	30,406		30,406
Section 18 Fund	-4,102	0	0	4,102	0		0
Title III C-1 Fund	0	0	173,930	173,930	0		0
Title III C-2 Fund	0	0	131,139	131,139	0		0
Title III B Fund	271	0	93,436	93,596	111		111
Jail Construction Fund	0	0	0	0	0		0
911 Telephone Surcharge Fund	56,909	0	106,421	110,536	52,794		52,794
FEMA Fund	61,987	0	227,840	139,588	150,239		150,239
Old Sales Tax Fund	0	0	0	0	0		0
New Sales Tax Fund	446,235	0	492,835	329,678	609,392		609,392
Debt Service							
Bond and Interest Fund	3,147	0	193,751	188,053	8,845		8,845
Capital Projects							
Road and Bridge Project	11,366	0	0	11,366	0		0
Proprietary Type Funds:							
Enterprise Funds							
NEK Central Kitchen Fund	22,596	0	200,317	214,458	8,455		8,455
Health Fund	350,825	0	935,544	769,092	521,277		521,277
Solid Waste Fund	402,116	0	15,066	14,631	402,551		402,551
Subtotal	<u>2,530,564</u>	<u>0</u>	<u>7,593,865</u>	<u>7,219,467</u>	<u>2,904,962</u>	<u>0</u>	<u>2,904,962</u>
Component Units:							
Component Unit - Extension Council	<u>78,857</u>	<u>0</u>	<u>137,850</u>	<u>135,381</u>	<u>81,326</u>	<u>0</u>	<u>81,326</u>
Total Reporting Entity	<u>\$ 2,609,421</u>	<u>\$ 0</u>	<u>\$ 7,731,715</u>	<u>\$ 7,354,848</u>	<u>\$ 2,986,288</u>	<u>\$ 0</u>	<u>\$ 2,986,288</u>
Composition of Cash							
							\$
					Checking Accounts		7,424,267
					Savings Accounts		2,760,044
					Petty Cash		
					Municipal Investment Pool		3,249
					Certificates of Deposit		81,326
					Total Component Units		10,268,886
					Total Cash		7,282,598
					Agency Funds per Statement 4		
					Total Reporting Entity		\$ 2,986,288

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
Summary of Expenditures - Actual and Budget
For the Year Ended December 31, 2010

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Governmental Type Funds</u>						
General	\$ 1,964,265	\$ 0	0	\$ 1,964,265	\$ 1,766,809	\$ 197,456
Special Revenue Funds						
Road and Bridge Fund	2,243,999	0	0	2,243,999	2,013,269	230,730
Capital Improvement Fund	150,000	0	0	150,000	28,032	121,968
Employee Benefits Fund	384,736	0	0	384,736	430,679	(45,943)
Extension Council Fund	111,567	0	0	111,567	110,299	1,268
Community Mental Health Fund	27,710	0	0	27,710	27,379	331
Mental Health Workshop Fund	31,092	0	0	31,092	30,991	101
Conservation District Fund	23,400	0	0	23,400	22,916	484
Community College Fund	17	0	0	17	0	17
Appraiser's Costs Fund	178,421	0	0	178,421	159,123	19,298
Noxious Weed Fund	64,339	0	0	64,339	51,743	12,596
Noxious Weed Chemical Fund	106,089	0	0	106,089	51,786	54,303
Fair Fund	16,558	0	0	16,558	16,494	64
Economic Development Fund	99,179	0	0	99,179	81,902	17,277
Elderly Services Fund	215,000	0	0	215,000	203,200	11,800
Local Alcoholic Fund	2,650	0	0	2,650	868	1,782
Diversion Fund	20,000	0	0	20,000	683	19,317
Direct Election Fund	44,744	0	0	44,744	43,125	1,619
Debt Service						
Bond and Interest	193,383	0	0	193,383	188,053	5,330
<u>Proprietary Type Funds:</u>						
Enterprise Funds						
NEK Central Kitchen	257,625	0	0	257,625	214,458	43,167
Health Fund	892,548	0	0	892,548	769,092	123,456
Solid Waste Fund	15,000	0	0	15,000	14,631	369

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS

GENERAL FUND

Statement 3

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,180,299	\$ 1,195,641	\$ (15,342)
Delinquent tax	4,809		4,809
Motor vehicle tax	99,976	104,196	(4,220)
RV tax	2,181	2,283	(102)
16/20M vehicle tax	11,300	18,038	(6,738)
Gross earnings (intangible) tax	22,567	12,798	9,769
Official fees	157,852	140,000	17,852
Inmate fees	185,080	115,000	70,080
City contribution			0
Miscellaneous revenues	3,636	16,000	(12,364)
Use of property	3,420	5,000	(1,580)
Slider tax			0
Interest income	59,435	9,050	50,385
Operating transfers			0
Total Cash Receipts	<u>1,730,555</u>	<u>1,618,006</u>	<u>112,549</u>
EXPENDITURES			
County Clerk			
Salaries	98,413	99,005	592
Contractual	17,192	21,559	4,367
Commodities			0
Capital Outlay	1,498	2,000	502
County Commission			
Salaries	37,262	45,000	7,738
Contractual	5,505	5,000	(505)
Commodities			0
Capital Outlay			0
County Treasurer			
Salaries	132,842	131,000	(1,842)
Contractual	18,698	26,000	7,302
Commodities	1,046		(1,046)
Capital Outlay		2,000	2,000
District Court			
Salaries			0
Contractual	36,525	66,719	30,194
Commodities	5,537	8,300	2,763
Capital Outlay		7,500	7,500
911 Dispatch			
Salaries	144,189	167,729	23,540
Contractual	1,381	5,000	3,619
Commodities		3,500	3,500
Capital Outlay			0
Emergency Services			
Salaries	42,741	42,363	(378)
Contractual	23,317	6,609	(16,708)
Commodities			0
Capital Outlay	893	5,000	4,107

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS

Statement 3

GENERAL FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	Actual	Budget	Variance- Favorable (Unfavorable)
Law Enforcement			
Salaries	418,412	457,555	39,143
Contractual	208,599	204,400	(4,199)
Commodities	72,385	56,850	(15,535)
Capital Outlay	11,000	11,000	0
Register of Deeds			
Salaries	64,982	60,500	(4,482)
Contractual	16,383	18,800	2,417
Commodities			0
Capital Outlay			0
Road and Bridge			
Salaries	37,612	38,000	388
Contractual	2,262	1,500	(762)
Commodities	662	1,500	838
Capital Outlay		3,500	3,500
Courthouse - General			
Salaries	53,973	41,500	(12,473)
Contractual	164,075	190,000	25,925
Commodities			0
Capital Outlay			0
Special MVT			
Salaries		65,000	65,000
Contractual		5,000	5,000
Commodities			0
Capital Outlay		2,000	2,000
County Attorney/Counselor			
Salaries	81,144	97,011	15,867
Contractual	6,255	8,000	1,745
Commodities	146		(146)
Capital Outlay			0
Health			
Salaries	600	600	0
Contractual	8,226	12,660	4,434
Commodities			0
Capital Outlay			0
Capital Outlay			0
Neighborhood revitalization	53,054	44,605	(8,449)
Contingency			0
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,766,809</u>	<u>\$ 1,964,265</u>	<u>\$ 197,456</u>
Receipts Over (Under) Expenditures	(36,254)		
Unencumbered Cash, Beginning	357,306		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 321,052</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
ROAD AND BRIDGE FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,314,877	\$ 1,329,677	\$ (14,800)
Delinquent tax	5,822		5,822
Motor vehicle tax	127,687	133,166	(5,479)
RV tax	2,785	2,917	(132)
16/20M vehicle tax	13,001	23,053	(10,052)
State aid/grants	344,948	400,000	(55,052)
Federal aid/grants	139,588	139,588	0
Miscellaneous revenues	143,026	12,600	130,426
Operating transfers		118,472	(118,472)
Total Cash Receipts	<u>2,091,734</u>	<u>2,159,473</u>	<u>(67,739)</u>
EXPENDITURES			
Personnel services	684,179	715,000	30,821
Contractual services	167,440	220,000	52,560
Commodities	322,021	300,000	(22,021)
Capital Outlay	780,630	950,000	169,370
Neighborhood revitalization	58,999	58,999	0
Contingency			0
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>2,013,269</u>	<u>\$ 2,243,999</u>	<u>\$ 230,730</u>
Receipts Over (Under) Expenditures	78,465		
Unencumbered Cash, Beginning	138,180		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 216,645</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
CAPITAL IMPROVEMENTS FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Miscellaneous revenues	\$ 257	\$	\$ 257
Operating transfers	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Total Cash Receipts	<u>4,757</u>	<u>4,500</u>	<u>257</u>
EXPENDITURES			
K-7 Improvments		100,000	100,000
Capital outlay	28,032	50,000	21,968
Operating transfers			0
Adjustment for qualifying budget credits			<u>0</u>
Total Expenditures	<u>28,032</u>	\$ <u>150,000</u>	\$ <u>121,968</u>
Receipts Over (Under) Expenditures	(23,275)		
Unencumbered Cash, Beginning	131,908		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 108,633</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
EMPLOYEE BENEFITS FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 233,241	\$ 235,940	\$ (2,699)
Delinquent tax	1,100		1,100
Motor vehicle tax	25,058	26,230	(1,172)
RV tax	546	575	(29)
16/20M vehicle tax	2,550	4,541	(1,991)
Reimbursements	91,463	10,000	81,463
Miscellaneous revenues	102	25,000	(24,898)
Operating transfers			0
Total Cash Receipts	<u>354,060</u>	<u>302,286</u>	<u>51,774</u>
EXPENDITURES			
FICA	158,256	170,000	11,744
Unemployment	50,315	15,000	(35,315)
Insurance	344	3,000	2,656
Retirement	138,467	115,000	(23,467)
Workers' compensation	72,827	72,500	(327)
Neighborhood revitalization	10,470	9,236	1,234
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>430,679</u>	<u>\$ 384,736</u>	<u>\$ (43,475)</u>
Receipts Over (Under) Expenditures	(76,619)		
Unencumbered Cash, Beginning	145,435		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 68,816</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
EXTENSION COUNCIL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 98,527	\$ 99,274	\$ (747)
Delinquent tax	471		471
Motor vehicle tax	9,924	10,287	0
RV tax	217	225	0
16/20M vehicle tax	1,108	1,781	(673)
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>110,247</u>	<u>111,567</u>	<u>(949)</u>
EXPENDITURES			
Appropriations	105,894	107,040	1,146
Neighborhood revitalization	4,405	4,527	122
Adjustment for qualifying budget credits			0
Total Expenditures	<u>110,299</u>	<u>\$ 111,567</u>	<u>\$ 1,268</u>
Receipts Over (Under) Expenditures	(52)		
Unencumbered Cash, Beginning	52		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
COMMUNITY MENTAL HEALTH FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 24,479	\$ 24,600	\$ (121)
Delinquent tax	118		118
Motor vehicle tax	2,444	2,527	(83)
RV tax	53	55	(2)
16/20M vehicle tax	285	528	(243)
Miscellaneous revenues			0
Operating transfers			0
	<u>27,379</u>	<u>27,710</u>	<u>(331)</u>
EXPENDITURES			
Payment to KANZA	26,286	26,592	306
Neighborhood revitalization rebate	1,093	1,118	25
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>27,379</u>	<u>\$ 27,710</u>	<u>\$ 331</u>
Total Expenditures			
	<u>27,379</u>	<u>\$ 27,710</u>	<u>\$ 331</u>
 Receipts Over (Under) Expenditures	 0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	0		
	<u>0</u>		
 Unencumbered Cash, Ending	 \$ 0		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
MENTAL HEALTH WORKSHOP FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 27,563	\$ 27,688	\$ (125)
Delinquent tax	133		133
Motor vehicle tax	2,752	2,849	(97)
RV tax	61	62	(1)
16/20M vehicle tax	332	493	(161)
Miscellaneous revenues			0
Operating transfers			0
	<u>30,841</u>	<u>31,092</u>	<u>(251)</u>
EXPENDITURES			
Payment to DCSW	29,760	29,760	0
Neighborhood revitalization	1,231	1,332	101
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>30,991</u>	<u>\$ 31,092</u>	<u>\$ 101</u>
Receipts Over (Under) Expenditures	(150)		
Unencumbered Cash, Beginning	264		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 114</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
CONSERVATION DISTRICT FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 20,562	\$ 20,626	\$ (64)
Delinquent tax	362		362
Motor vehicle tax	2,244	2,321	(77)
RV tax	48	51	(3)
16/20M vehicle tax		402	(402)
Miscellaneous revenues			0
Operating transfers			0
	<u>23,216</u>	<u>23,400</u>	<u>(184)</u>
Total Cash Receipts			
	<u>23,216</u>	<u>23,400</u>	<u>(184)</u>
EXPENDITURES			
Appropriations	22,000	22,000	0
Neighborhood revitalization	916	1,400	484
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>22,916</u>	<u>23,400</u>	<u>484</u>
Total Expenditures			
	<u>22,916</u>	<u>\$ 23,400</u>	<u>\$ 484</u>
Receipts Over (Under) Expenditures	300		
Unencumbered Cash, Beginning	336		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 636</u>		

The notes to financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
COMMUNITY COLLEGE FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
16/20M vehicle tax			0
Miscellaneous revenues			0
Operating transfers			0
	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES			
Appropriations		17	17
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>0</u>	<u>\$ 17</u>	<u>\$ 17</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	18		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 18</u>		

The notes to financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
APPRAISER'S COSTS FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 152,128	\$ 153,582	\$ (1,454)
Delinquent tax	686		686
Motor vehicle tax	14,337	14,883	(546)
RV tax	313	326	(13)
16/20M vehicle tax	1,627	2,577	(950)
Miscellaneous revenues	4,666	3,000	1,666
Operating transfers			0
	<u>173,757</u>	<u>174,368</u>	<u>(611)</u>
EXPENDITURES			
Personnel services	117,302	132,225	14,923
Contractual services	25,603	21,130	(4,473)
Commodities	9,402	13,600	4,198
Capital Outlay		5,000	5,000
Neighborhood revitalization	6,816	6,466	(350)
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>159,123</u>	<u>\$ 178,421</u>	<u>\$ 19,298</u>
Receipts Over (Under) Expenditures	14,634		
Unencumbered Cash, Beginning	34,193		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 48,827</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
NOXIOUS WEED FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 45,206	\$ 45,577	\$ (371)
Delinquent tax	218		218
Motor vehicle tax	4,833	5,031	(198)
RV tax	106	110	(4)
16/20M vehicle tax	516	871	(355)
State payment			0
Charges for services	3,850		3,850
Miscellaneous revenues			0
Operating transfers			0
	<u>54,729</u>	<u>51,589</u>	<u>3,140</u>
EXPENDITURES			
Personnel services	37,544	42,400	4,856
Contractual services	7,897	15,000	7,103
Commodities	4,278	2,000	(2,278)
Capital Outlay		3,000	3,000
Neighborhood revitalization	2,024	1,939	85
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>51,743</u>	<u>\$ 64,339</u>	<u>\$ 12,766</u>
Receipts Over (Under) Expenditures	2,986		
Unencumbered Cash, Beginning	38,459		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 41,445</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
NOXIOUS WEED CHEMICAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 35,049	\$ 35,031	\$ 18
Delinquent tax	131		131
Motor vehicle tax	2,061	2,031	30
RV tax	45	44	1
16/20M vehicle tax	355	352	3
Charges for services	36,593	40,000	(3,407)
Miscellaneous revenues	692		692
Operating transfers			0
Total Cash Receipts	<u>74,926</u>	<u>77,458</u>	<u>(2,532)</u>
EXPENDITURES			
Personnel services			0
Contractual services	16,507	85,000	68,493
Commodities	33,722	20,000	(13,722)
Capital Outlay			0
Neighborhood revitalization	1,557	1,089	(468)
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>51,786</u>	<u>\$ 106,089</u>	<u>\$ 54,303</u>
Receipts Over (Under) Expenditures	23,140		
Unencumbered Cash, Beginning	88,240		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 111,380</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
FAIR FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 14,963	\$ 15,000	\$ (37)
Delinquent tax	67		67
Motor vehicle tax	1,272	1,303	(31)
RV tax	27	29	(2)
16/20M vehicle tax	165	226	(61)
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>16,494</u>	<u>16,558</u>	<u>(64)</u>
EXPENDITURES			
Appropriations	15,825	15,840	15
Neighborhood revitalization	669	718	49
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>16,494</u>	<u>\$ 16,558</u>	<u>\$ 64</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

The notes to financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
ECONOMIC DEVELOPMENT FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 48,590	\$ 48,397	\$ 193
Delinquent tax	266		266
Motor vehicle tax	4,499	4,533	(34)
RV tax	99	99	0
16/20M vehicle tax	788	1,150	(362)
Miscellaneous revenues	742		742
City contribution			0
Operating transfers			0
 Total Cash Receipts	 <u>54,984</u>	 <u>54,179</u>	 <u>805</u>
 EXPENDITURES			
Appropriations	79,754	96,000	16,246
Commodities			0
Refunding distribution			0
Neighborhood revitalization	2,148	3,179	1,031
Operating transfers			0
Adjustment for qualifying budget credits			0
 Total Expenditures	 <u>81,902</u>	 <u>\$ 99,179</u>	 <u>\$ 17,277</u>
 Receipts Over (Under) Expenditures	 (26,918)		
Unencumbered Cash, Beginning	83,441		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u><u>\$ 56,523</u></u>		

The notes to financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
ELDERLY SERVICES FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 165,669	\$ 167,473	\$ (1,804)
Delinquent tax	814		814
Motor vehicle tax	18,370	19,233	(863)
RV tax	401	421	(20)
16/20M vehicle tax	1,857	3,330	(1,473)
Grant funds			0
Reimbursements	23,642		23,642
Operating transfers			0
Total Cash Receipts	<u>210,753</u>	<u>190,457</u>	<u>20,296</u>
EXPENDITURES			
Personnel services	8,056	14,161	6,105
Contractual services	3,231	3,188	(43)
Commodities	7,620	7,847	227
Capital Outlay	17,099	1,800	(15,299)
Neighborhood revitalization	7,434	7,744	(310)
Operating transfers	159,760	180,260	20,500
Adjustment for qualifying budget credits			0
Total Expenditures	<u>203,200</u>	<u>\$ 215,000</u>	<u>\$ 11,180</u>
Receipts Over (Under) Expenditures	7,553		
Unencumbered Cash, Beginning	72,164		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 79,717</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
LOCAL ALCOHOLIC LIQUOR FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
State distributions	\$ 1,259	\$ 2,311	\$ (1,052)
Interest income			0
Operating transfers			0
Total Cash Receipts	<u>1,259</u>	<u>2,311</u>	<u>(1,052)</u>
EXPENDITURES			
Special alcohol and drug	868	2,650	1,782
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>868</u>	<u>\$ 2,650</u>	<u>\$ 1,782</u>
Receipts Over (Under) Expenditures	391		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u><u>\$ 391</u></u>		

The notes to financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
DIVERSION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Fees	\$ 14,918	\$ 17,000	\$ (2,082)
Operating transfers			<u>0</u>
Total Cash Receipts	<u>14,918</u>	<u>17,000</u>	<u>(2,082)</u>
EXPENDITURES			
Contractual	683	20,000	19,317
Operating transfers			0
Adjustment for qualifying budget credits			<u>0</u>
Total Expenditures	<u>683</u>	<u>\$ 20,000</u>	<u>\$ 19,317</u>
Receipts Over (Under) Expenditures	14,235		
Unencumbered Cash, Beginning	52,460		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 66,695</u>		

The notes to financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
DIRECT ELECTION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 38,332	\$ 38,650	\$ (318)
Delinquent tax	162		162
Motor vehicle tax	2,852	2,927	(75)
RV tax	62	64	(2)
16/20M vehicle tax	409	507	(98)
Miscellaneous revenues	3,160		3,160
Operating transfers			0
	<u>44,977</u>	<u>42,148</u>	<u>2,829</u>
EXPENDITURES			
Personnel services	3,705	3,600	(105)
Contractual services	37,324	36,625	(699)
Commodities	380	250	(130)
Capital Outlay		3,180	3,180
Neighborhood revitalization	1,716	1,089	(627)
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>43,125</u>	<u>\$ 44,744</u>	<u>\$ 1,619</u>
Receipts Over (Under) Expenditures	1,852		
Unencumbered Cash, Beginning	28,554		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 30,406</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
BOND AND INTEREST FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 38,299	\$ 37,568	\$ 731
Delinquent tax	278		278
Motor vehicle tax	6,750	6,923	(173)
RV tax	148	152	(4)
16/20M vehicle tax	735	1,198	(463)
Miscellaneous revenues	147,541	136,175	11,366
Operating transfers		11,367	0
	<u>193,751</u>	<u>193,383</u>	<u>11,735</u>
Total Cash Receipts			
	<u>193,751</u>	<u>193,383</u>	<u>11,735</u>
EXPENDITURES			
Principal	140,000	140,000	0
Interest	46,383	46,383	0
Cash basis reserve		2,000	2,000
Neighborhood revitalization	1,670	5,000	3,330
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>188,053</u>	<u>193,383</u>	<u>5,330</u>
Total Expenditures			
	<u>188,053</u>	<u>193,383</u>	<u>5,330</u>
 Receipts Over (Under) Expenditures	 5,698		
Unencumbered Cash, Beginning	3,147		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 8,845</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
NEK CENTRAL KITCHEN FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Charges for services	\$ 200,317	\$ 257,625	\$ (57,308)
Miscellaneous revenues			0
Operating transfers			0
	<u>200,317</u>	<u>257,625</u>	<u>(57,308)</u>
Total Cash Receipts	<u>200,317</u>	<u>257,625</u>	<u>(57,308)</u>
EXPENDITURES			
Personnel services	67,224	73,834	6,610
Commodities	144,607	176,291	31,684
Contractual services	2,627	2,500	(127)
Capital outlay		5,000	5,000
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>214,458</u>	<u>\$ 257,625</u>	<u>\$ 43,167</u>
Total Expenditures	<u>214,458</u>	<u>\$ 257,625</u>	<u>\$ 43,167</u>
Receipts Over (Under) Expenditures	(14,141)		
Unencumbered Cash, Beginning	22,596		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 8,455</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
HEALTH FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 39,741	\$ 40,000	\$ (259)
Delinquent tax	175		175
Motor vehicle tax	3,899	4,885	(986)
RV tax	85	101	(16)
16/20M vehicle tax	399	765	(366)
Miscellaneous revenues		108,805	(108,805)
Charges for services	895,245	559,520	335,725
Operating transfers			0
Total Cash Receipts	<u>939,544</u>	<u>714,076</u>	<u>225,468</u>
EXPENDITURES			
Personnel services	520,795	515,000	(5,795)
Contractual services	186,413	215,000	28,587
Commodities	47,958	65,000	17,042
Capital Outlay	7,650	7,000	(650)
Neighborhood revitalization	1,776	1,048	728
Miscellaneous		85,000	85,000
Operating transfers	4,500	4,500	0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>769,092</u>	<u>\$ 892,548</u>	<u>\$ 124,912</u>
Receipts Over (Under) Expenditures	170,452		
Unencumbered Cash, Beginning	350,825		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 521,277</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
SOLID WASTE FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Charges for services	\$ 15,066	\$ 15,056	\$ 10
Rent			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>15,066</u>	<u>15,056</u>	<u>10</u>
Total Cash Receipts	<u>15,066</u>	<u>15,056</u>	<u>10</u>
EXPENDITURES			
Personnel services			0
Contractual services	14,555	15,000	445
Commodities	76		(76)
Capital Outlay			0
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>14,631</u>	<u>15,000</u>	<u>369</u>
Total Expenditures	<u>14,631</u>	<u>\$ 15,000</u>	<u>\$ 369</u>
 Receipts Over (Under) Expenditures	 435		
Unencumbered Cash, Beginning	402,116		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 402,551</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
ANY NONBUDGETED FUNDS
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2010

	Section 18 Fund	Title III C-1 Fund	Title III C-2 Fund
CASH RECEIPTS			
Program income	\$	\$ 48,569	\$ 36,540
Grant		14,382	14,269
Intergovernmental revenues		24,814	22,250
Charges for services			
Miscellaneous revenues		209	3,086
Operating transfers		85,956	54,994
Total Cash Receipts	<u>0</u>	<u>173,930</u>	<u>131,139</u>
EXPENDITURES			
Personnel services		53,556	40,596
Contractual services		32,380	
Commodities		86,857	90,543
Capital Outlay		1,137	
Miscellaneous	4,102		
Operating transfers			
Adjustment for qualifying budget credits			
Total Expenditures	<u>4,102</u>	<u>173,930</u>	<u>131,139</u>
Receipts Over (Under) Expenditures	(4,102)	0	0
Unencumbered Cash, Beginning	4,102	-	-
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
ANY NONBUDGETED FUNDS
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2010

	Title III - B Fund	Jail Construction	911 Telephone Surcharge Fund
CASH RECEIPTS			
Program income	\$ 8,484	\$	\$
Grant			
Intergovernmental revenues	59,251		
Charges for services			106,421
Miscellaneous revenues	6,891		
Operating transfers	<u>18,810</u>		
Total Cash Receipts	<u>93,436</u>	<u>0</u>	<u>106,421</u>
EXPENDITURES			
Personnel services	75,382		
Contractual services	6,924		
Commodities	11,290		110,536
Capital Outlay			
Miscellaneous			
Operating transfers			
Adjustment for qualifying budget credits			
Total Expenditures	<u>93,596</u>	<u>0</u>	<u>110,536</u>
Receipts Over (Under) Expenditures	(160)	0	(4,115)
Unencumbered Cash, Beginning	271	-	56,909
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 111</u>	<u>\$ 0</u>	<u>\$ 52,794</u>

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
ANY NONBUDGETED FUNDS
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2010

	<u>FEMA</u>	<u>Old Sales Tax Fund</u>	<u>New Sales Tax Fund</u>
CASH RECEIPTS			
Program income	\$	\$	\$
Grant	227,840		
Intergovernmental revenues			492,835
Charges for services			
Miscellaneous revenues			
Operating transfers			
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	<u>227,840</u>	<u>0</u>	<u>492,835</u>
EXPENDITURES			
Personnel services			
Contractual services			
Commodities			
Capital Outlay			329,678
Miscellaneous	139,588		
Operating transfers			
Adjustment for qualifying budget credits			
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>139,588</u>	<u>0</u>	<u>329,678</u>
Receipts Over (Under) Expenditures	88,252	0	163,157
Unencumbered Cash, Beginning	61,987	-	446,235
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 150,239</u>	<u>\$ 0</u>	<u>\$ 609,392</u>

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
COMPONENT UNIT - EXTENSION COUNCIL
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Intergovernmental	\$ 132,756	\$ 144,000	\$ (11,244)
Charges for services			0
Reimbursements	5,094	5,000	94
Operating transfers			0
	<u>137,850</u>	<u>149,000</u>	<u>(11,150)</u>
EXPENDITURES			
Personnel services	102,494	121,000	18,506
Contractual services	1,976	2,000	24
Commodities	30,911	25,216	(5,695)
Capital Outlay		20,000	20,000
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>135,381</u>	<u>\$ 168,216</u>	<u>\$ 32,835</u>
Total Expenditures			
	<u>135,381</u>	<u>\$ 168,216</u>	<u>\$ 32,835</u>
 Receipts Over (Under) Expenditures	 2,469		
Unencumbered Cash, Beginning	78,857		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 \$ <u>81,326</u>		

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS
AGENCY FUNDS
Statement of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2010

<u>Agency Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
District court	\$ 30,616	\$ 224,029	\$ 217,743	\$ 36,902
Sheriff	0	321,876	321,876	0
RWD #5 waterline project	2			2
Taxation accounts	<u>6,052,987</u>	<u>22,193,003</u>	<u>21,000,296</u>	<u>7,245,694</u>
Total	<u>\$ 6,083,605</u>	<u>\$ 22,738,908</u>	<u>\$ 21,539,915</u>	<u>\$ 7,282,598</u>

The notes to the financial statements are an integral part of this statement.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

Doniphan County, Kansas is a municipal corporation governed by a three member commission. The county as an entity has been defined to include, on a combined basis, (a) Doniphan County, Kansas (b) organizations for which the County is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the county are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These financial statements present the County and its component unit, an entity for which the County is considered to be financially accountable. The discretely presented component unit is reported in a separate row in Statement 1 to emphasize it is legally separate from the County. The discretely presented component unit has a December 31 year end.

Component Unit that is Discretely Presented

The Extension Council serves the citizens within the County's jurisdiction. Because the Extension Council is not a separate taxing entity, the County levies tax for the Extension Council's operations. The County appropriated \$105,894 to the Extension Council in 2010. The Extension Council is presented as a governmental fund type. Complete financial statements for the Extension Council may be obtained at the Doniphan County Courthouse, Troy, Kansas.

Related Organizations

Organizations for which the County as primary government is accountable because it appoints a voting majority of the other organization's boards, but is not financially accountable, are related organizations. The following are related organizations of the County as defined above:

Fire Districts No. 1, No. 2, No. 3, No.4, and No.5

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Fund Descriptions (continued)

The following types of funds comprise the financial activities of the county for the year 2010:

Governmental Funds

General Fund – To account for the resources except those required to be accounted for in another fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds – To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, and the financing of special assessments which are general obligations of the county.

Capital Projects Funds – To account for the resources and expenditures of a specific capital project.

Proprietary Funds

Enterprise Funds – To account for those operations that are financed and operated in a manner similar to private business or where the city has decided that the determination of revenues earned and costs incurred is necessary for management accountability.

Fiduciary Funds

Trust and Agency Funds – To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include agency funds.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Statutory Basis of Accounting (continued)

recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Departure from Generally Accepted Accounting Principles (GAAP)

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursement, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenues and matured principle and interest payable, and reservations of fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with United States generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Property Tax

The county clerk calculated the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to, and prepares tax statements for, the county treasurer who receives payment.

Taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 21st and June 21st.

Taxes levied to finance the budget are made available to the county after January 1st and are distributed by the county treasurer per statutes. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (continued)

4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were amendments to the Road and Bridge, Health, FEMA, Wireless 911, Solid Waste and Title Funds during the year 2010.

The statutes permit transferring budgeted amounts between accounts within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the city for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds and trust funds and certain special revenue funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments

Compliance with County Resolutions

K.S.A. 19-229 as affirmed by AGO 99-18, gives the board of county commissioners exclusive control over all county expenditures.

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the government. The statute requires banks eligible to hold the government's funds have a main or branch bank in the county in which the government is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the government's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The government has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. State statutes require the government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2010.

At December 31, 2010, the government's carrying amount of deposits was \$10,268,886 and the bank balance was \$11,128,500. The bank balance was held by nine banks not resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the government's name.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments(continued)

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 – Defined Benefit Pension Plan

Plan Description – Doniphan county, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy – K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414 (h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The average employer rate established by statute for January 1, 2010 to December 31, 2010 was 9.17%. The Doniphan County, Kansas employer contributions to KPERS for the years ended December 31, 2010, 2009, and 2008 were \$96,412, \$92,140, and \$82,317, respectively, equal to the statutory required contributions for each year.

NOTE 4 – Risk Management

The county is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Compliance with Kansas Statutes

There was a violation of K.S.A. 79-2935, the Kansas Budget law, in the Employee Benefits Fund during the period under examination.

NOTE 6 – Jointly Governed Organizations

The County, in conjunction with certain cities within Doniphan County, and the Doniphan County Chamber of Commerce created the Doniphan County Economic Development Commission. The County appoints one member to the commission's board of directors. The Commission is to provide economic development services to governments and businesses within the County. The transactions of the Commission are accounted for in an agency fund of the County. In March of 1998, the Highland Community College took over the routine operations of the Commission. It is the County's opinion that the Commission will not constitute a material financial burden to the County.

NOTE 7 – Solid Waste Transfer Station

The County entered into an agreement with Deffenbaugh Industries, Inc. (DII) on October 31, 1994 to construct a solid waste transfer station at the site of the landfill. The agreement allows DII to operate the transfer station for 20 years while paying the County a host fee. The county has the option to purchase the transfer station at five year intervals over that period with ownership passing to the County after 20 years has elapsed. The transfer station began operation in 1996.

NOTE 8 – Interfund Transactions

Operating Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Health Fund	Capital Improvement	K.S.A. 10-1102	\$ 4,500
Elderly Fund	Title IIIC-I	K.S.A. 12-1680	85,956
Elderly Fund	Title IIIC-II	K.S.A. 12-1680	54,994
Elderly Fund	Title IIIB	K.S.A. 12-1680	18,810

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Compensated Absences

City employees receive vacation and sick leave benefits. Vacations benefits accrue on a monthly basis and an annual carryover caps the number of days transferred from year to year. Upon termination, employees are compensated for any unused vacation leave. Sick leave accrues on a monthly basis up to a maximum. Upon termination, employees are not compensated for any unused sick leave. This amount has not been recorded in the financial statements due to its immaterial nature.

NOTE 10 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

NOTE 11 – Subsequent Events Review

Subsequent events for management's review have been evaluated through July 27, 2011. The date in the prior sentence is the date the financial statements were available to be issued.

NOTE 12 – Long Term Debt

The schedule of long term debt and current maturities for the next five years is detailed in the following schedule.

DONIPHAN COUNTY, KANSAS
Statement of Changes in Long-Term Debt
For the Year Ended December 31, 2010

Note 12- Long Term Debt

Changes in long-term liabilities for Doniphan County, Kansas for the year ended December 31, 2010 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds 2003 Issue	3.20%	4/15/03	350,000	10/1/13	\$ 140,000	\$	\$ 35,000	\$ (35,000)	\$ 105,000	\$ 5,880
Revenue Bonds 2008 Issue	3.40%	1/18/08	1,200,000	4/1/18	1,110,000		105,000	(105,000)	1,005,000	44,920
Capital Leases Trucks and equipment refinance	3.95%	11/23/04	413,136	1/1/11	82,423		73,476	(73,476)	8,947	4,811
Total Long Term Debt					<u>\$ 1,332,423</u>	<u>\$ 0</u>	<u>\$ 213,476</u>	<u>\$ (213,476)</u>	<u>\$ 1,118,947</u>	<u>\$ 55,611</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2011	2012	2013	2014	2015	2016-2019	Total
Principal							
General Obligation Bonds	\$ 35,000	\$ 35,000	\$ 35,000	\$	\$	\$	\$ 105,000
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases	8,947						8,947
Revenue Bonds	110,000	110,000	115,000	120,000	130,000	420,000	1,005,000
No-Fund Warrants							0
Temporary Notes							0
Total Principal	<u>153,947</u>	<u>145,000</u>	<u>150,000</u>	<u>120,000</u>	<u>130,000</u>	<u>420,000</u>	<u>1,118,947</u>
Interest							
General Obligation Bonds	3,710	2,538	1,295				7,543
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases	1,905						1,905
Revenue Bonds	37,736	33,720	29,500	24,976	20,035	26,707	172,674
No-Fund Warrants							0
Temporary Notes							0
Total Interest	<u>43,351</u>	<u>36,258</u>	<u>30,795</u>	<u>24,976</u>	<u>20,035</u>	<u>26,707</u>	<u>182,122</u>
Total Principal and Interest	<u>\$ 197,298</u>	<u>\$ 181,258</u>	<u>\$ 180,795</u>	<u>\$ 144,976</u>	<u>\$ 150,035</u>	<u>\$ 446,707</u>	<u>\$ 1,301,069</u>